

NC ADMINISTRATIVE CODE: PROPOSED CHANGES TO DISCRETIONARY FUNDING



OEO Contractors' Training

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OFFICE of 
ECONOMIC OPPORTUNITY

FEDERAL AUTHORITY

- ④ 42 U.S.C. 9907, Section 675C, COATES
- ④ Not less than 90% to eligible entities, not more than 5% for administrative purposes, if less than 100% for funding eligible entities and administrative purposes, the remaining may be used for “discretionary” purposes specified in Section 675C (b)(1) (A-H)



PURPOSES SPECIFIED: U.S.C. 42 9907 675C (B)(1) (A-H)

- ◉ training and technical assistance
- ◉ coordinating State-operated programs and services, and at the option of the State, locally-operated programs and services
- ◉ supporting statewide coordination and communication among eligible entities;
- ◉ analyzing the distribution of funds;
- ◉ supporting asset-building programs;
- ◉ supporting innovative programs and activities;
- ◉ supporting State charity tax credits as described in subsection (c); and
- ◉ supporting other activities, consistent with CSBG purposes

CURRENT NCAC

Make grants in FFY1989 and in each subsequent FFY to those LPAs which are re-certified as eligible agencies each fiscal year by the Office. The Office shall allot to each eligible LPA an amount of funds based on the percentage of the total CSBG funds the eligible agency received of those funds reserved for the LPAs and the NCCIA in FFY 1986.

PROBLEM



The NC DHHS/ DSS Office of Economic Opportunity is unable to contract and expend the full amount of the CSBG allocation due to specifications of 10A NCAC 97C .0108. As a result, North Carolina's low-income residents do not have access to all potential benefits afforded through the CSBG.

ORIGINAL FUNDING LEVEL

Agency	% Funding
NC SR CIT FED	18.2%
WEDO	9.6%
NCRFD	36.4%
TRI-CO	3.8%
LIHDC	15.3%
MSFWA	12.5%
NCCIA	4.2%

Note: LIHDC is now The Affordable Housing Group of NC
MSFWA is now Telamon

CURRENT FUNDING LEVEL

Agency	% Funding
NC SR CIT FED	18.2%
WEDO	9.6%
NCRFD	36.4%
TRI-CO	3.8%
TAHG	15.3%
Telamon	12.5%
NCCIA	4.2%

The Office is only able to allot 41.6% because only 4 of the 7 agencies that received funds in FFY 1986 remain in existence.

ALLOCATION AND EXPENDITURE


	SFY 2011-12		SFY 2012-13	
	\$	%	\$	%
CSBG 5% Allocation	\$913,428		\$913,428	
Allocated for Contracts	\$712,474	78.0%	\$379,985	41.6%
Not Allocated Due to Rule .0108	\$200,954	22.0%	\$533,443	58.4%
Expended	\$705,124	77.2%	\$370,812	40.6%
Not Expended	\$208,304	22.8%	\$542,616	59.4%

SFY 2014-15

Distribution Category	% Distribution	SFY 2014-15 Allocation
Eligible Entities	90%	\$22,402,724
Limited Purpose Agencies/ Discretionary	5%	\$1,244,596
State Administration	5%	\$1,244,596
Total	100%	\$24,891,916

SFY 2014-15

GRANTEE	SFY 2014-15 ALLOCATION
Telamon	\$158,633
TAHG	\$190,423
WEDO	\$119,481
NCCIA	\$53,264
Discretionary	\$722,795
Total	\$1,244,596




NCAC review needed to determine
specific use of funds

SFY 2015-16

Distribution Category	% Distribution	SFY 2015-16 Projected Allocation
Eligible Entities	90%	\$14,922,404
Limited Purpose Agencies/ Discretionary	5%	\$829,023
State Administration	5%	\$829,023
Total	100%	\$16,580,450

SFY 2015-16

GRANTEE	SFY 2015-16 ALLOCATION
Telamon	\$105,665
TAHG	\$126,840
WEDO	\$79,586
NCCIA	\$35,479
Discretionary	\$481,452
Total	\$829,023



NCAC review needed to
determine specific use of funds

SOLUTION: PROPOSED AMENDMENTS

- ◉ 10A NCAC 97B .0401 GENERAL PROVISIONS
- ◉ 10A NCAC 97B .0402 CITIZEN PARTICIPATION IN THE APPLICATION PROCESS
- ◉ 10A NCAC 97B .0403 CITIZEN PARTICIPATION IN THE PROGRAM AMENDMENT PROCESS
- ◉ 10A NCAC 97C .0104 DEFINITIONS
- ◉ 10A NCAC 97C .0106 ELIGIBLE GRANT RECIPIENTS
- ◉ 10A NCAC 97C .0108 ALLOCATION OF CSBG FUNDS
- ◉ 10A NCAC 97C .0109 REQUIREMENTS/GOVERNING BODIES OF PRIVATE GRANT RECIPIENTS
- ◉ 10A NCAC 97C .0111 CITIZEN PARTICIPATION

NCAC 97C .0108

The proposed change allows 5% of the CSBG allocation to be used for purposes in 42 U.S.C. 9907 Section 675C (b)(1)(A-H) of COATES Act. The change addresses the inability to allocate the full amount of funding due to current specifications, resolves inconsistencies with federal allowance of carry forward funds, eliminates sole sourcing to Limited Purpose Agencies, and requires unexpended funds for prior grants be allocated to eligible entities.

NCAC 97C .0108

- ◉ Funds will be allocated in accordance with the current State CSBG Plan strategy which will be made publicly available.
- ◉ No more than 40% of the total CSBG funds available shall be allotted to a single entity



NCAC 97C .0108

- ◉ Any funds granted to Local Administering Agencies shall be awarded through a prescribed selection process, to include a review body established by the Office. Funds not awarded through the prescribed selection process will be distributed in accordance eligible entity allocation processes.
- ◉ Local Administering Agency. Organizations that address the causes and effects of poverty in NC. This includes CAAs and entities providing services related to capacity building activities, training & technical assistance, staff training & corrective actions.

NCAC 97B .0401-.0403, 97C .0111

- ◉ 97B rules would make the rules specifically apply to eligible entities funded under Rule CAAs. Agencies funded under 10A NCAC 97C .0108 (a)(3) will meet requirements through submitting their plan to a review body established by the Office.
- ◉ 97C .0111 The State Clearinghouse is the State Environmental Review Clearinghouse, which has a stated purpose that is no longer consistent with the use of CSBG funding.

NCAC 97C .0104

Align the definitions with the proposed changes to 10A 97C .0108 and 97C .0106, which address the current limitations related to 5% of CSBG funds made available under Section 675C (b)(1)(A-H) of the COATES Act being fully allocated/ expended.



NCAC 97C .0106

The proposed change eliminates the current limitation of 5% of CSBG funds made available under Section 675C (b)(1)(A-H) from being specific to limited purpose agencies or organizations serving seasonal or migrant farmworkers. The proposed rule expands eligibility to organizations that address causes and effects of poverty in NC, which does not exclude limited purpose agencies nor seasonal migrant farmworkers.

NCAC 97C .0109

- ◉ Clarifies the tripartite board requirement is specific to CAAs. Agencies funded under Rule 97C .0108(a)(3) will not be subject to the tripartite board requirement.
- ◉ The change will address a current limitation which imposes tripartite board requirements on agencies funded under Rule 97C .0108 (a)(3) that is not required under the COATES Act.

NEXT STEPS

- ◉ Complete internal review:
DSS, DHHS, OAH and OSBM
- ◉ Accept public comment for
60 days
- ◉ Public hearing
- ◉ Review & respond to
public comment
- ◉ Review of report & written
comments
- ◉ Actions taken
- ◉ Earliest effective date:
February 1, 2015



QUESTIONS AND FUTURE CONTACT

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